

PRESENTATION OF SB 186 BY SENATOR DAVE LEWIS
TO
HOUSE BUSINESS AND LABOR COMMITTEE
MARCH 13, 2007

The amendments incorporated in Senate Bill 186 will enable any school district to obtain its own loss experience and large claim information and have that information provided to other prospective insurers.

Currently, districts that are members of some pooling arrangements are prohibited from obtaining district specific experience. Current law in Section 33-19-308 limits the information a pooled district can obtain to that of the association and not the individual district. This restriction makes it nearly impossible for a district that is a member of an association pool to go to bid because it has great difficulty in providing any reliable experience data to other insurers to calculate rates.

This bill would require any insurer of public schools to provide aggregate premium and loss information and large claim information specific to the district once per year if requested by the district. Nothing in this bill would require revealing any personal protected health information. Most often, the information is transferred from one insurer to another and the local district does not have to handle the data.

During deliberations of the Interim School Funding Committee meetings in 2005, Senator Tester asked "what could be done right now with no cost to help public schools with health insurance costs?" The answer provided was to amend the law to allow public schools to go to bid to insure they were getting the most for the dollars expended.

This bill does just that. It enables all public school districts to obtain loss and large claim information to provide to insurers for bidding purposes.

This bill does not require that districts seek bids, it only enables them to obtain bids when desired.

Health insurance premium is often the second largest element in public school budgets; second only to salaries.

I think the legislature has an interest in seeing this bill passed as well. To the extent that public schools can obtain better rates for health insurance, the district general fund appropriations can be stretched further to cover other needed services as well.

If we are going to ask school districts to spend state and local taxes in the most effective manner, we have an obligation to eliminate impediments to obtaining the best price for the services required.